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UNCLAS SECTION 01 OF 02 ROME 003301

SIPDIS

E.O. 12958: N/A

TAGS: [ECON](#) [IT](#) [ITECON](#)

SUBJECT: AMBASSADOR TALKS BUSINESS AT AMCHAM LUNCHEON

1. SUMMARY: THE AMERICAN CHAMBER OF COMMERCE (AMCHAM) IN ITALY HOSTED A JUNE 18 LUNCHEON FOR THE AMBASSADOR. IN HIS REMARKS, THE AMBASSADOR ASKED AMCHAM MEMBERS TO BECOME MORE  
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ACTIVE AND ASKED THAT THE AMCHAM AND ITS MEMBERS WORK CLOSELY WITH THE EMBASSY. HE EMPHASIZED THE EMBASSY'S COMMITMENT TO SUPPORTING U.S. FIRMS, BUT ALSO NOTED THAT LOBBYING IS A LEGITIMATE ACTIVITY FOR BUSINESS. AMCHAM MEMBERS THANKED THE AMBASSADOR FOR HIS AND THE EMBASSY'S ONGOING EFFORTS TO ENSURE EQUAL, FAIR AND TRANSPARENT TREATMENT FOR U.S. COMPANIES AND ALSO RECOGNIZED EMBASSY'S SUPPORT IN PROVIDING ACCESS AND CREATING A POSITIVE BUSINESS ENVIRONMENT IN ITALY. AN ACTIVE DISCUSSION ENSUED REGARDING OBSTACLES AND OPPORTUNITIES FOR U.S. FIRMS IN ITALY, AND HOW THE AMCHAM CAN BEST ASSIST ITS MEMBERS. THIS MEETING WAS A USEFUL EVENT IN A CONTINUING EFFORT TO IMPROVE OPPORTUNITIES FOR U.S. FIRMS IN ITALY. END SUMMARY.

2. THE AMCHAM HOSTED A JUNE 18 LUNCHEON IN ROME IN HONOR OF AMBASSADOR SEMBLER. PARTICIPANTS INCLUDED REPRESENTATIVES FROM CATERPILLAR, MORGAN GUARANTY TRUST, PMG, UNION CARBIDE, PHILLIP MORRIS, VERIZON, BOYDEN INT., PROCTER AND GAMBLE, THE AMERICAN INTERNATIONAL CLUB OF ROME, MCDONALDS, PFIZER, AND BOOZ-ALLEN. COMMERCIAL MINISTER COUNSELOR ERIC WEAVER, ECONOMIC COUNSELOR AND ECONOMIC AND COMMERCIAL SPECIALISTS ALSO PARTICIPATED.

3. AMBASSADOR SEMBLER UNDERScoreD THE IMPORTANCE OF AN ACTIVE AMCHAM IN ORDER FOR U.S. COMPANIES TO DEVELOP AND GROW IN LOCAL MARKETS. HE ENCOURAGED COMPANY EXECUTIVES TO BECOME MORE ACTIVE IN AMCHAM ACTIVITIES, AND TOLD THEM SUCH EFFORTS WILL PAY LONG-TERM DIVIDENDS FAR IN EXCESS TO THEIR AMCHAM INVESTMENT OF TIME AND ENERGY. THE AMBASSADOR STRESSED HIS COMMITMENT TO CORRECTING THE TRADE IMBALANCE BETWEEN THE U.S. AND ITALY. HE OFFERED THE EMBASSY'S SUPPORT  
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TO U.S. FIRMS, AND URGED THEM TO WORK WITH THE EMBASSY TO REDUCE BARRIERS TO U.S. TRADE AND INVESTMENT IN ITALY. HE ALSO NOTED THAT LOBBYING, WHILE NOT COMMON AMONG ITALIAN FIRMS, WAS A PERFECTLY LEGITIMATE ACTIVITY FOR FIRMS AND ORGANIZATIONS TO PROTECT AND PROMOTE LEGITIMATE BUSINESS INTERESTS.

4. MINISTER COUNSELOR WEAVER INVITED AMCHAM TO STAY ACTIVE AND HIGHLIGHTED THE SUCCESSFUL COOPERATION BETWEEN THE U.S. MISSION AND THE AMCHAM IN RECENT YEARS. HE NOTED THAT WORKING TOGETHER HAS ENABLED U.S. BUSINESSES TO GROW, CONSOLIDATE AND BE MORE SUCCESSFUL IN ITALY. THE ECONOMIC COUNSELOR ECHOED THE AMBASSADOR IN OFFERING THE EMBASSY'S SUPPORT. SHE SPECIFICALLY INVITED AMCHAM MEMBERS TO COME TO THE EMBASSY EARLY WHEN THEY HAVE VIEWS, CONCERNS OR SPECIFIC INTEREST IN ITALIAN POLICIES/LEGISLATION, EU POLICIES/DIRECTIVES OR INTERNATIONAL (WTO, OECD) NEGOTIATIONS.

5. COMPANY REPRESENTATIVES ENDORSED THE CALL FOR CONTINUED EMBASSY/AMCHAM COOPERATION AND EXPRESSED APPRECIATION FOR THE EMBASSY'S LONG-TERM CONTRIBUTION IN SUPPORTING U.S. BUSINESS IN ITALY AND IN ENSURING EQUAL ACCESS AND A LEVEL PLAYING FIELD. VERIZON REPRESENTATIVE MADE SPECIFIC REFERENCE TO THE EMBASSY'S EFFECTIVE INTERVENTION, WHICH ASSURED THAT VERIZON COULD PARTICIPATE IN A LARGE PUBLIC TENDER IN 2001. (NOTE: VERIZON WON THE CONTRACT).

6. AN ACTIVE DISCUSSION ENSUED, INVOLVING ALL PARTICIPANTS. AMONG ISSUES DISCUSSED WERE:

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-- BARRIERS TO U.S. TRADE AND INVESTMENT, INCLUDING THE COMPLEX TAX SYSTEM, LABOR RIGIDITIES, THE DIFFICULT BUREAUCRATIC OBSTACLES, AND THE INADEQUACIES OF THE ITALIAN JUSTICE SYSTEM.

-- ITALY'S DIFFERENT BUSINESS CULTURE, REQUIRING PERSONAL TRUST AND LONG TERM RELATIONSHIPS.

-- LARGE NUMBER OF U.S. "CONSULTANTS" WHO COME TO ITALY, WHEN THE NEED IS FOR ENTREPRENEURS, MANAGERS AND PRODUCTIVE FIRMS.

-- IDEA OF FORMING INDUSTRY SUBGROUPS WITHIN AMCHAM TO  
EXPLORE THE PROBLEMS/OPPORTUNITIES IN EACH SECTOR AND FOCUS  
LOBBYING EFFORTS.

17. THE PROCTER AND GAMBLE REPRESENTATIVE NOTED THAT, WHILE  
IN THE PAST THE FIRM'S OFFICIALS HAD PREFERRED THAT IT BE  
SEEN AS AN ITALIAN ENTITY (INSTEAD OF AS A BRANCH OPERATION  
OF A U.S. MULTINATIONAL), THIS HAS CHANGED. THEY NOW  
BELIEVE IT IS IN THEIR INTEREST TO GIVE GREATER VISIBILITY  
TO THEIR U.S. OWNERSHIP AND ARE, THEREFORE, MORE WILLING TO  
PARTICIPATE IN AMCHAM ACTIVITIES AND ENGAGE IN GREATER  
DIALOGUE WITH THE EMBASSY. THE PROCTER AND GAMBLE  
REPRESENTATIVE THOUGHT THAT OTHER COMPANIES ALSO MIGHT BE  
THINKING ALONG THESE LINES.

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ACTION EUR-00

INFO	LOG-00	AGRE-00	AID-00	CEA-01	CIAE-00	CTME-00	DODE-00
	ITCE-00	DOTE-00	SRPP-00	EB-00	EXME-00	E-00	FAAE-00
	UTED-00	VC-00	FRB-00	H-01	TEDE-00	INR-00	ITC-01
	L-00	VCE-00	AC-01	NSAE-00	NSCE-00	OMB-01	OPIC-01
	PER-00	ACE-00	SP-00	SSO-00	SS-00	STR-00	TEST-00
	TRSE-00	USIE-00	DRL-02	G-00	SAS-00	/008W	

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R 051452Z JUL 02  
FM AMEMBASSY ROME  
TO SECSTATE WASHDC 4639  
INFO USDOC WASHDC  
AMCONSUL MILAN  
AMCONSUL FLORENCE  
AMCONSUL NAPLES

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18. COMMENT: THE SESSION SEEMED TO PROVIDE A CATALYST FOR A  
MORE ACTIVE AMCHAM AND ENHANCED EMBASSY/AMCHAM COOPERATION.  
NEW AMCHAM PRESIDENT MARIO RESCA, CEO OF MCDONALDS ITALY, IS  
A SAVVY BUSINESSMAN WITH A SOLID NETWORK OF ITALIAN AND  
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AMERICAN CONTACTS. HE IS EXPECTED TO MAKE THE AMCHAM A MORE  
VIBRANT AND EFFECTIVE ORGANIZATION. WE PLAN TO WORK CLOSELY  
WITH HIM ON ENHANCING SUPPORT TO U.S. BUSINESS AND  
OVERCOMING ITALIAN BARRIERS TO TRADE AND INVESTMENT. WE  
WILL ALSO FOLLOW UP WITH AMCHAMON SPECIFIC IDEAS, SUCH AS  
THE SECTORAL WORKING GOUPS.

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